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DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration (NHTSA)

49 CFR Part 592

[Docket No. NHTSA-2013-0041; Notice 1]

RIN 2127-AL43

Registered Importers of Vehicles Not Originally Manufactured to Conform to the Federal Motor Vehicle Safety Standards

AGENCY: National Highway Traffic Safety Administration (NHTSA)

Action: Notice of proposed rulemaking.

Summary: This document proposes to clarify NHTSA regulations on registered importers ('RIs') of motor vehicles not originally manufactured to comply with all applicable Federal motor vehicle safety standards. The proposal would require RIs to certify to NHTSA, as appropriate, that an imported vehicle either is not required to comply with the parts marking requirements of the Theft Prevention Standard or that the vehicle complies with those requirements as manufactured, or as modified prior to importation. The proposal would replace text that was inadvertently omitted when the regulations were last revised.

DATES: You should submit your comments early enough to ensure that Docket Management receives them not later than [INSERT 30 days after publication of this notice in the Federal Register.]

ADDRESSES: Comments should refer to the docket and notice numbers above and be submitted by any of the following methods:

- *Federal eRulemaking Portal*: Go to <http://www.regulations.gov>. Follow the online instructions for submitting comments.
- *Mail*: Docket Management Facility: U.S. Department of Transportation, 1200 New Jersey Avenue S.E., West Building Ground Floor, Room W12-140, Washington, D.C. 20590-0001
- *Hand Delivery or Courier*: West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue S.E., between 9 a.m. and 5 p.m. ET, Monday through Friday, except Federal holidays.
- *Fax*: 202-493-2251

Instructions: For detailed instructions on submitting comments and additional information on the rulemaking process, see the Public Participation heading of the Supplementary Information section of this document. Note that all comments received will be posted without change to <http://www.regulations.gov>, including any personal information provided. Please see the Privacy Act heading below.

Privacy Act: Anyone is able to search the electronic form of all comments received into any of our dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You may review DOT's complete Privacy Act Statement in

the *Federal Register* published on April 11, 2000 (65 FR 19477-78) or you may visit <http://DocketInfo.dot.gov>.

Docket: For access to the docket to read background documents or comments received, go to <http://www.regulations.gov> and follow the online instructions for accessing the dockets or visit the Docket Management Facility at the street address listed above.

FOR FURTHER INFORMATION CONTACT: Clint Lindsay, Office of Vehicle Safety Compliance, NHTSA (202) 366-5288. For legal issues, you may call Nicholas Englund, Office of Chief Counsel, NHTSA (202) 366-5263. You may call Docket Management at (202) 366-9324. You may visit the Docket in person from 9 a.m. to 5 p.m., Monday through Friday.

SUPPLEMENTARY INFORMATION:

Introduction

NHTSA published a final rule on August 25, 2011 (76 FR 53072) amending parts 567, 591, 592, and 593 of title 49 to address issues related to the RI program. In amending the regulations, the agency inadvertently deleted from 49 CFR 592.6(d)(1) text under paragraphs (i) and (ii) that requires the RI to certify to NHTSA, as appropriate, that an imported vehicle either is not required to comply with the parts marking requirements of the Theft Prevention Standard (49 CFR part 541)

or that the vehicle complies with those requirements as manufactured, or as modified prior to importation.

Background and Amendments

The Imported Vehicle Safety Compliance Act of 1988 (Pub. L. 100- 562, ``the 1988 Act''), which became effective on January 31, 1990, limited the importation of vehicles that did not comply with the Federal motor vehicle safety standards (FMVSS) to those capable of being modified to comply. To enhance oversight, the 1988 Act required that necessary modifications be performed by RIs. RIs are business entities that have demonstrated to NHTSA that they are technically and financially capable of importing nonconforming motor vehicles and of performing the necessary modifications on those vehicles so that they conform to all applicable FMVSS. See generally, 49 U.S.C. 30141-30147. As discussed in the January 14, 2011 proposed rulemaking that preceded the final rule (76 FR 2631), NHTSA proposed certain amendments to the RI regulations to protect the integrity of the RI program and to clarify RI requirements. In the final rule that was published on August 25, 2011 (76 FR 53072), CFR 592.6(d)(1) was amended by adding language requiring that RIs certify to NHTSA that they destroyed or exported nonconforming motor vehicle equipment that was removed from imported vehicles during conformance modifications. The remaining text of the paragraph remained unchanged and read:

``The Registered Importer shall also certify, as appropriate, that either:

(i) The vehicle is not required to comply with the parts marking requirements of the theft prevention standard (part 541 of this chapter); or

(ii) The vehicle complies with those parts marking requirements as manufactured, or as modified prior to importation.''

In the regulatory text of the final rule, NHTSA inadvertently failed to properly mark subparagraphs (i) and (ii), resulting in the deletion of those paragraphs. In this rulemaking, the agency is proposing to restore the language that was originally in subparagraphs (i) and (ii).

The proposed amendment would not change the meaning or application of the regulations, as explained in the preamble of the final rule at 76 FR 53072.

Rulemaking Analyses and Notices

A. Executive Order (E.O.) 12866 (Regulatory Planning and Review), E.O. 13563, and DOT Regulatory Policies and Procedures

Executive Order 12866, "Regulatory Planning and Review" (58 FR 51735, October 4, 1993), provides for making determinations whether a regulatory action is "significant" and therefore subject to Office of Management and Budget (OMB) review and to the requirements of the Executive Order. The Order defines a

"significant regulatory action" as one that is likely to result in a rule that may:

(1) Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or Tribal governments or communities;

(2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;

(3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or

(4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in the Executive Order.

The agency has considered the impact of this rulemaking action under E.O. 12866, E.O. 13563, and the Department of Transportation's regulatory policies and procedures. This action was reviewed by the Office of Management and Budget under E.O. 12866. . This rulemaking is not significant. Further, NHTSA has determined that the rulemaking is not significant under Department of Transportation's regulatory policies and procedures. Based on the level of the fees and the volume of affected vehicles, NHTSA currently anticipates that if made

final, the costs of the proposed rule would be so minimal as not to warrant preparation of a full regulatory evaluation. The action does not involve any substantial public interest or controversy. If made final, the rule would have no substantial effect upon State and local governments. There would be no substantial impact upon a major transportation safety program. A regulatory evaluation analyzing the economic impact of the final rule establishing the registered importer program, adopted on September 29, 1989, was prepared, and is available for review in the docket.

B. Regulatory Flexibility Act

Pursuant to the Regulatory Flexibility Act (5 U.S.C. § 601 et seq., as amended by the Small Business Regulatory Enforcement Fairness Act (SBREFA) of 1996), whenever an agency is required to publish a notice of proposed rulemaking for any proposed or final rule, it must prepare and make available for public comment a regulatory flexibility analysis that describes the effect of the rule on small entities (i.e., small businesses, small organizations, and small governmental jurisdictions). The Small Business Administration's regulations at 13 CFR Part 121 define a small business, in part, as a business entity "which operates primarily within the United States." (13 CFR §121.105(a)). No regulatory flexibility analysis is required if the head of an agency certifies that the rule would not have a

significant economic impact on a substantial number of small entities. The SBREFA amended the Regulatory Flexibility Act to require Federal agencies to provide a statement of the factual basis for certifying that a rule would not have a significant economic impact on a substantial number of small entities.

The agency has considered the effects of this proposed rulemaking under the Regulatory Flexibility Act, and certifies that if the proposed amendments are adopted they would not have a significant economic impact upon a substantial number of small entities.

The following is NHTSA's statement providing the factual basis for the certification (5 U.S.C. 605(b)). The **proposed** amendments would primarily affect entities that currently modify nonconforming vehicles and that are small businesses within the meaning of the Regulatory Flexibility Act; however, the agency has no reason to believe that these companies would be unable to certify as **proposed** by this action that either: (i) The vehicle is not required to comply with the parts marking requirements of the theft prevention standard (part 541 of this chapter); or (ii) The vehicle complies with those parts marking requirements as manufactured, or as modified prior to importation.''

Governmental jurisdictions would not be affected at all since they are generally neither importers nor purchasers of nonconforming motor vehicles.

C. Executive Order 13132 (Federalism)

Executive Order 13132 on "Federalism" requires NHTSA to develop an accountable process to ensure "meaningful and timely input by State and local officials in the development of regulatory policies that have Federalism implications."

Executive Order 13132 defines the term "policies that have federalism implications" to include regulations that have "substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government." Under Executive Order 13132, NHTSA may not issue a regulation that has federalism implications, that imposes substantial direct compliance costs, and that is not required by statute, unless the Federal government provides the funds necessary to pay the direct compliance costs incurred by State and local governments, or NHTSA consults with State and local officials early in the process of developing the proposed regulation.

The proposed rule would not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government as specified in Executive Order 13132. Thus, the requirements of

section 6 of the Executive Order do not apply to this rulemaking action.

D. National Environmental Policy Act

NHTSA has analyzed this action for purposes of the National Environmental Policy Act. The action would not have a significant effect upon the environment because it is anticipated that the annual volume of motor vehicles imported through registered importers would not vary significantly from that existing before promulgation of the rule as proposed.

E. Executive Order 12988 (Civil Justice Reform)

Pursuant to Executive Order 12988 "Civil Justice Reform," the agency has considered whether this proposed rule would have any retroactive effect. NHTSA concludes that this proposed rule would not have any retroactive effect. Judicial review of any rule adopted from this proposal may be obtained pursuant to 5 U.S.C. 702. That section does not require that a petition for reconsideration be filed prior to seeking judicial review.

F. Executive Order 13609: Promoting International Regulatory Cooperation

The policy statement in section 1 of Executive Order 13609 provides, in part:

The regulatory approaches taken by foreign governments may differ from those taken by U.S. regulatory agencies to address similar issues. In some cases, the differences between the

regulatory approaches of U.S. agencies and those of their foreign counterparts might not be necessary and might impair the ability of American businesses to export and compete internationally. In meeting shared challenges involving health, safety, labor, security, environmental, and other issues, international regulatory cooperation can identify approaches that are at least as protective as those that are or would be adopted in the absence of such cooperation. International regulatory cooperation can also reduce, eliminate, or prevent unnecessary differences in regulatory requirements.

NHTSA requests public comment on whether (a) "regulatory approaches taken by foreign governments" concerning the subject matter of this rulemaking and (b) the above policy statement has any implications for this rulemaking.

G. Executive Order 13211

Executive Order 13211 applies to any rule that: (1) is determined to be economically significant as defined under E.O. 12866, and is likely to have a significant adverse effect on the supply, distribution, or use of energy; or (2) that is designated by the Administrator of the Office of Information and Regulatory Affairs as a significant energy action. If the regulatory action meets either criterion, we must evaluate the adverse energy effects of the proposed rule and explain why the

proposed regulation is preferable to other potentially effective and reasonably feasible alternatives considered by NHTSA.

As noted above, this proposed rule is not significant under E.O. 12866. NHTSA also believes that this proposed rule would not have any effect on the supply, distribution or use of energy.

H. Unfunded Mandates Reform Act of 1995

Section 202 of the Unfunded Mandates Reform Act of 1995 (UMRA) requires agencies to prepare a written assessment of the costs, benefits, and other effects of proposed or final rules that include a Federal mandate likely to result in the expenditure by State, local, or tribal governments, in the aggregate, or by the private sector, of more than \$100 million annually (adjusted for inflation with the base year of 1995). Before promulgating a rule for which a written assessment is needed, Section 205 of the UMRA generally requires NHTSA to identify and consider a reasonable number of regulatory alternatives and to adopt the least costly, most cost-effective, or least burdensome alternative that achieves the objectives of the rule. The provisions of Section 205 do not apply when they are inconsistent with applicable law. Moreover, Section 205 allows NHTSA to adopt an alternative other than the least costly, most cost-effective or least burdensome alternative if the agency publishes with the final rule an explanation why that alternative was not adopted. Because a final rule based on this

proposal would not require the expenditure of resources beyond \$100 million annually, this action is not subject to the requirements of Sections 202 and 205 of the UMRA.

I. Plain Language

Executive Order 12866 and the President's memorandum of June 1, 1998, require each agency to write all rules in plain language. Application of the principles of plain language includes consideration of the following questions:

- Have we organized the material to suit the public's needs?
- Are the requirements in the proposed rule clearly stated?
- Does the proposed rule contain technical language or jargon that is unclear?
- Would a different format (grouping and order of sections, use of heading, paragraphing) make the rule easier to understand?
- Would more (but shorter) sections be better?
- Could we improve clarity by adding tables, lists, or diagrams?
- What else could we do to make the rule easier to understand?

If you have any responses to these questions, please include them in your comments on this document.

J. Paperwork Reduction Act

Under the Paperwork Reduction Act of 1995, a person is not required to respond to a collection of information by a Federal agency unless the collection displays a valid OMB control number. Part 592 includes collections of information for which

NHTSA has obtained OMB Clearance No. 2127-0001, a consolidated collection of information for "Importation of Vehicles and Equipment Subject to the Federal Motor Vehicle Safety, Bumper and Theft Prevention Standards," approved through January 31, 2014. This proposed rule, if made final, would not affect the burden hours associated with Clearance No. 2127-0001 because we are proposing only to reinstate regulatory text that was inadvertently omitted when the regulations were last amended. This proposed regulation will not impose new collection of information requirements or otherwise affect the scope of the program.

K. Executive Order 13045

Executive Order 13045 applies to any rule that (1) is determined to be "economically significant" as defined under E.O. 12866, and (2) concerns an environmental, health, or safety risk that NHTSA has reason to believe may have a disproportionate effect on children. If the regulatory action meets both criteria, we must evaluate the environmental health or safety effects of the planned rule on children, and explain why the planned rule is preferable to other potentially effective and reasonably feasible alternatives considered by us. This rulemaking is not economically significant and does not concern an environmental, health, or safety risk.

L. National Technology Transfer and Advancement Act

Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (NTTAA), Pub. L. 104-113, section 12(d) (15 U.S.C. § 272) directs NHTSA to use voluntary consensus standards in its regulatory activities unless doing so would be inconsistent with applicable law or otherwise impractical. Voluntary consensus standards are technical standards (e.g., materials specifications, test methods, sampling procedures, and business practices) that are developed or adopted by voluntary consensus standards bodies, such as the Society of Automotive Engineers (SAE). The NTTAA directs the agency to provide Congress, through the OMB, explanations when we decide not to use available and applicable voluntary consensus standards.

This proposed rule would reinstate regulatory text that was inadvertently omitted when the regulations at issue were last amended. We are proposing no substantive changes to the vehicle import program or any action that would require the use of voluntary consensus standards. For these reasons, Section 12(d) of the NTTAA would not apply.

M. Public Participation

How Do I Prepare and Submit Comments?

Your comments must be written and be in English. To ensure that your comments are correctly filed in the Docket,

please include the docket number of this document in your comments.

Your comments must not be more than 15 pages long. 49 CFR 553.21. We established this limit to encourage you to write your primary comments in a concise fashion. However, you may attach necessary additional documents to your comments. There is no limit on the length of the attachments.

Please submit two copies of your comments, including the attachments, to Docket Management at the address identified at the beginning of this document, under ADDRESSES. You may also submit your comments electronically to the docket following the steps outlined under ADDRESSES.

How Can I Be Sure That My Comments Were Received?

If you wish Docket Management to notify you upon its receipt of your comments, enclose a self-addressed, stamped postcard in the envelope containing your comments. Upon receiving your comments, Docket Management will return the postcard by mail.

How Do I Submit Confidential Business Information?

If you wish to submit any information under a claim of confidentiality, you should submit the following to the NHTSA Office of Chief Counsel (NCC-110), 1200 New Jersey Avenue S.E., Washington, D.C. 20590: (1) a complete copy of the submission; (2) a redacted copy of the submission with the confidential

information removed; and (3) either a second complete copy or those portions of the submission containing the material for which confidential treatment is claimed and any additional information that you deem important to the Chief Counsel's consideration of your confidentiality claim. A request for confidential treatment that complies with 49 CFR Part 512 must accompany the complete submission provided to the Chief Counsel. For further information, submitters who plan to request confidential treatment for any portion of their submissions are advised to review 49 CFR Part 512, particularly those sections relating to document submission requirements. Failure to adhere to the requirements of Part 512 may result in the release of confidential information to the public docket. In addition, you should submit two copies from which you have deleted the claimed confidential business information, to Docket Management at the address identified at the beginning of this document under ADDRESSES.

Will the Agency Consider Late Comments?

We will consider all comments that Docket Management receives before the close of business on the comment closing date identified at the beginning of this document under DATES. In accordance with our policies, to the extent possible, we will also consider comments that Docket Management receives after the specified comment closing date. If Docket Management receives a

comment too late for us to consider in developing the proposed rule, we will consider that comment as an informal suggestion for future rulemaking action.

How Can I Read the Comments Submitted by Other People?

You may read the comments received by Docket Management at the address and times identified at the beginning of this document under ADDRESSES.

You may also see the comments on the Internet. To read the comments on the Internet, go to <http://www.regulations.gov> and follow the on-line instructions provided.

You may download the comments. The comments are imaged documents, in either TIFF or PDF format. Please note that even after the comment closing date, we will continue to file relevant information in the Docket as it becomes available. Further, some people may submit late comments. Accordingly, we recommend that you periodically search the Docket for new material.

N. Regulation Identifier Number (RIN)

The Department of Transportation assigns a regulation identifier number (RIN) to each regulatory action listed in the Unified Agenda of Federal Regulations. The Regulatory Information Service Center publishes the Unified Agenda in April and October of each year. You may use the RIN that appears in

the heading on the first page of this document to find this action in the Unified Agenda.

In consideration of the foregoing, NHTSA proposes to amend 49 CFR part 592 as follows:

List of Subjects in 49 CFR part 592: Imports, Motor vehicle safety, Motor vehicles, Reporting and recordkeeping requirements.

PART 592— REGISTERED IMPORTERS OF VEHICLES NOT ORIGINALLY MANUFACTURED TO CONFORM TO THE FEDERAL MOTOR VEHICLE SAFETY STANDARDS

1. The authority citation for part 592 continues to read as follows:

Pub. L. 100-562, 49 U.S.C. 322(a), 30117, 30141-30147;
delegation of authority at 49 CFR 1.50.

2. Amend §592.6 to add subparagraphs (d)(1)(i) and (ii):

§592.6 Duties of a registered importer.

* * * * *

(d) * * *

(1) * * *

(i) The vehicle is not required to comply with the parts marking requirements of the theft prevention standard (part 541 of this chapter); or

(ii) The vehicle complies with those parts marking requirements as manufactured, or as modified prior to importation.

* * * * *

Issued on November 27, 2013.

Daniel C. Smith,
Senior Associate Administrator for Vehicle Safety.

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